

**PX 67**

---

**From:** Brad Garlinghouse [REDACTED]@ripple.com>  
**Sent:** Saturday, May 06, 2017 2:19 PM  
**To:** [REDACTED]  
**Subject:** Re: Comp Discussion

Patrick, please bcc me on whatever you send.

Miguel,

I am looking forward to speaking about this more on Monday - and conveniently, Brad is also in town so I'm sure he'd be happy to weigh in with you.

In advance of that conversation and based upon your ask below, I wanted to take a moment to level set a bit on how I think about a few things:

1) It takes a village. The XRP activity over the past few months has been profound. MANY factors and MANY people have impacted this activity. Some of these factors (and people) are internal - and many of them are external. This is not to take away from the work you are doing - but it's also to recognize that one single person is not responsible for how we have seen the XRP market evolve. (equally, no single person would be responsible if we see a 50% decline next week).

2) Your ask - coupled with your statement that "there's not a lot of room for negotiation here" - leads me to the conclusion that there is an insurmountable gap between what your expectations are and what Ripple is capable of doing. My knee jerk reaction is that the gap is so wide that we should spend our time on Monday talking about how to help you find your next opportunity. Your overall compensation package - which includes [REDACTED] options struck at \$[REDACTED] was acceptable to you just 6 months ago. Your request here for a \$[REDACTED]n option package feels out of step with the shared / understood expectations when you joined the company. (I should also note that at \$0.10 / XRP you would have the equivalent of ~\$[REDACTED]m in equity value just valuing the XRP).

3) We (Ripple) have done a bunch of research (including with outside counsel) on whether or not we should (or could) offer XRP option grants in addition to equity grants. What we have learned is that you can't (readily) do an option grant on something that is not a security. The resulting impact means that any XRP 'grant' would result in ordinary income for you as an employee and subject to W2 withholding for the company. (and unfortunately the IRS won't accept XRP for the company withholding, which means that if your option grant met the threshold of \$0.10 - Ripple would have to come up with ~\$[REDACTED]n-\$[REDACTED]m to pay the government).

(And while it's a minor point relative to your overall ask, it's illegal to back date options. There has been a fair bit of attention to this in silicon valley over the years - most notably brought to the media attention by Apple's back dating scandal.)

Miguel, I want you to be here at Ripple and I want you to be happy here at Ripple. And I want your happiness to be both about the substance of your work - and the rewards (compensation) for your work. Your ask (below) makes me question whether or not this is possible. Typically when someone joins a company and accepts a compensation package - you review it with your manager annually. To come to me less than 6 months after joining and let me know you'd like an option grant on [REDACTED]n XRP suggests your expectations have evolved MASSIVELY since you started.

I'm happy to discuss this more with you by phone this weekend - or we can wait until Monday. But let's aim to close out on this by end of day Tuesday such that we can both move forward with clear expectations - as I don't want you out representing Ripple knowing that we have a lot of uncertainty about your future with the company given the expectations you have outlined below.

Patrick

On Sat, May 6, 2017 at 10:08 AM, Patrick Griffin <[REDACTED]@ripple.com> wrote:

> Miguel's request

>

> ----- Forwarded message -----

> From: Miguel Vias <[REDACTED]@ripple.com>

> Date: Sat, May 6, 2017 at 6:45 AM

> Subject: Re: Comp Discussion

> To: Patrick Griffin <[REDACTED]@ripple.com>

>

>

> Thanks for getting back to me. Before we speak on Monday I thought it

> helpful to let you know about what I'm thinking.

>

> I'd like an american style call option for [REDACTED] MM XRP, struck at

> \$[REDACTED] (price on my start date), which knocks in at \$0 [REDACTED] knock in

> window of [REDACTED] years and total time to expiry of [REDACTED] years. If that's

> confusing at all let me know and I'm happy to run you through the

> mechanics. I know that's a big number given the possible lock up so

> I'm happy to limit the maximum monthly exercise amount to [REDACTED] MM XRP.

> I'd also like [REDACTED] to have the same option for [REDACTED] MM XRP.

>

> Lastly, and I'm not trying to be harsh, but there's not a lot of room

> for negotiation here. I've added a lot of value to XRP since I joined

> and will continue to do so. As a result, I should have the

> opportunity to significantly participate in its appreciation. As I

> mentioned in my previous email, I want to have this wrapped up before

> Consensus so let me know what you need from me to move this forward.

>

>

>

>

>

>

> On Fri, May 5, 2017 at 10:17 PM, Patrick Griffin <[REDACTED]@ripple.com>

> wrote:

>

>> I saw this morning. Happy to talk in New York next week.

>>

>> On Fri, May 5, 2017 at 7:12 PM, Miguel Vias <[REDACTED]@ripple.com>

>> wrote:

>>

>>> Patrick I didn't hear from you today on this. I'd like to get this  
>>> taken care of before Consensus. Let me know what you need from me.  
>>>  
>>> On May 5, 2017 8:39 AM, "Miguel Vias" <[REDACTED]@ripple.com> wrote:  
>>>  
>>>> Patrick,  
>>>>  
>>>> I'd like to revisit the discussion around compensation we had last  
>>>> time I was in SF. Let's put 30 minutes on the calendar today to catch up.  
>>>>  
>>>> Looking forward to it.  
>>>>  
>>>> Best,  
>>>> Miguel  
>>>>  
>>>  
>>  
>>  
>>  
>> --  
>> Patrick Griffin  
>> SVP Business Development | Ripple  
>> [REDACTED] | ripple.com  
>>  
>>  
>  
>  
>  
> --  
> Miguel Vias\* | \*Head of XRP Markets  
> [REDACTED]@ripple.com <[REDACTED]@ripple.com> | www.ripple.com T.  
> [REDACTED]  
>  
>  
>  
>  
> --  
> Patrick Griffin  
> SVP Business Development | Ripple  
> [REDACTED]@ripple.com  
>  
>